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Report on the activities of the Office of Internal Oversight Services

Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations

Report of the Office of Internal Oversight Services on the audit of the management structures of the Department of Peacekeeping Operations

Summary

Pursuant to General Assembly resolution 59/296, the Office of Internal Oversight Services (OIOS) conducted an audit of the management structures of the Department of Peacekeeping Operations. The main objectives of the audit were to determine (a) whether the Department's existing organizational structures, strategies and key management functions adhere to sound management principles and practices and (b) whether the Department's coordination and cooperation with other departments, agencies, funds and programmes in peace operations are efficient and effective. The OIOS audit focused on reviewing issues such as governance, accountability, doctrine, organizational structure, delegated authority in key administrative functions, training, mission support and partnering in peace operations.

Since the issuance of the recommendations of the Special Committee on Peacekeeping Operations and the Panel on United Nations Peace Operations the Department has made various changes aimed at improving its management structures, and has successfully launched and supported a number of field missions, pursuant to decisions of the Security Council. The Department's logistical and administrative support for the missions and its coordination and cooperation with the partners in peace operations are generally satisfactory, but could be further improved according to the heads of missions and the Department's partners in peace operations surveyed by OIOS.

In order to fulfil the challenging responsibilities of the Department while endeavouring to make the most efficient use of budget resources provided by the

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Member States, the Department's management structures must ensure that operational and management processes are fully integrated with a strong internal control framework and effective governance and accountability mechanisms. It is a matter of serious concern that the Organization, including the Department of Peacekeeping Operations, has not adopted an internal control framework, including an enterprise-wide risk management process in accordance with good practices in public-sector organizations. Coordination and interaction with the departments, agencies, funds and programmes partnering with the Department in peace operations also need to be effectively managed. For this reason, in the opinion of OIOS, the Department needs to make improvements in the following areas:

(a) Developing a comprehensive doctrine governing the work of the Department in the form of established business processes and procedures. The doctrine should be a part of the Department's internal control framework designed to contain risks within risk tolerances and ensure that the control environment promotes integrity and ethical values as required by the Charter of the United Nations;

(b) Identifying for review by the Department of Management those rules and regulations governing peace operations that the Department of Peacekeeping Operations believes may need revision to meet the increased complexity and changed environment in managing and supporting peace operations in recent years;

(c) Better utilizing the results-based budgeting framework as the main performance measurement system and as the framework to strategize and govern the Department's work;

(d) Strengthening internal controls within an established framework and managerial accountability for administrative and logistical support functions such as procurement, recruitment, information technology, finance and budgeting, as recommended in prior OIOS audit reports;

(e) Developing a systematic enterprise-wide risk management mechanism as part of the internal control framework. A review of risk management within the Department needs to be undertaken in the context of enterprise-wide risk management;

(f) Establishing, based on the risk assessment, appropriate internal controls to mitigate risks that may prevent the achievement of the Department's objectives;

(g) Enhancing the monitoring of the Department's subprogrammes by strengthening the Office of the Under-Secretary-General for Peacekeeping Operations;

(h) Establishing a single point of communication in the Department and clearly defined terms of reference for interaction between the Department, the missions and partners in peace operations. The key interaction strategy of forming interdepartmental task forces has not been sufficiently implemented.

OIOS commends the Department for its efforts to improve current management structures. The Department's reform programme "Peace operations 2010", launched in 2005, included many initiatives to improve its management structures in key areas for change, such as people, doctrine, partnerships, resources and organization.

In the Department's current functional organizational structure, individual outputs of each specialized unit within the five subprogrammes must be well

integrated in order to provide maximum value to the Department as a whole. In this regard, the Department has initiated a plan to reorganize itself by adopting a matrix structure in which integrated project teams comprise staff from different subprogrammes in supporting field missions. In the view of OIOS, by deploying integrated teams, if properly designed and implemented, the Department could realize advantages such as:

(a) The ability for integrated teams to serve as "one-stop shop" function in supporting field missions and communicating with partners providing them with direct links to Headquarters;

(b) Enhanced accountability in supporting field missions;

(c) Increased flexibility of the Department in assigning necessary talent to specific projects without reorganization whenever a new project is initiated.

However, should the Department decide to adopt an integrated matrix organization, it needs to ensure that:

(a) The doctrine of the Department is fully developed and staff members obtain necessary training;

(b) Expected outcomes, responsibilities and delegation of authority/ empowerment of integrated teams and functional line managers are adequately defined;

(c) A comprehensive plan is developed showing offices and officials responsible for implementing the reorganization;

(d) A proper and fair performance evaluation mechanism is developed to institutionalize dual reporting of the team members to the team leader and functional managers;

(e) Due care is given to strengthening and better structuring the management function within the Office of the Under-Secretary-General to be responsible for coordinating and monitoring the implementation of the action plan for the reform of the Department, "Peace operations 2010".

The Department of Peacekeeping Operations accepted all of the recommendations of OIOS and commented that, while the audit did not fully reflect the Secretary-General's new initiative to realign the Department, it confirmed the value and the need for consolidation and rationalization of Headquarters resources in support of the field, as an important aspect of the Secretary-General's initiative. In this regard, OIOS points out that, in view of the General Assembly's request, the main objective of the present audit was to assess whether the Department's current structures adhered to sound management practice in providing political, logistical and administrative support to peace missions led by the Department. The scope of the audit did not include a review of the Organization's overall management structure in guiding and supporting all other peace operations, including peacemaking, peacebuilding and special political field operations.

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I. Introduction

1. As stated in its mandate, the Department of Peacekeeping Operations serves as the operational arm of the Secretary-General for all United Nations peacekeeping operations and is responsible for the conduct, management, direction, planning and preparation of those operations.[1]

2. The implementation of the recommendations contained in the August 2000 report of the Panel on United Nations Peace Operations,[2] known as the Brahimi report, was the most important driver responsible for the current management structure of the Department. The Secretary-General convened the Panel in 2000 to assess the shortcomings of the existing systems and to make recommendations for change. The Panel provided advice on the minimum resource requirements of the Department and other departments involved in peace operations, which the Member States have generally approved. The Secretary-General subsequently issued comprehensive reports discussing the implementation of the recommendations of the Brahimi report.[3] The recent reform initiatives of the Secretary-General included in his "Investing in the United Nations" reports[4] are also in part rooted in the Brahimi report. The Office of Internal Oversight Services (OIOS) considered relevant issues discussed in those reports.

3. In October 2005, the Department initiated the "Peace operations 2010" reorganization programme, in which a series of reforms were proposed in response to the reality of present-day peacekeeping and the assessment of the cycle of changes started by the Brahimi report. OIOS supports the self-evaluations and the spirit of the reform the Department is undertaking, and is cognizant that the task of reinvigorating the Department is necessary but also challenging. The present report considers the findings of the Department's five working groups, on people, doctrine, partnerships, resources and organization, which were established as a part of the "Peace operations 2010" reform programme.

4. OIOS conducted an audit of the Department's management structures pursuant to General Assembly resolution 59/296. The audit objectives were to determine:

(a) Whether the Department's existing organizational structures, strategies and key management functions adhered to the principles of sound management practice to effectively guide peace operations and provide logistical and administrative support to missions;

(b) Whether the Department's interaction, coordination and cooperation with other Secretariat departments, agencies, funds and programmes in peace operations are efficient and effective.

5. Owing to the wide range of issues related to the subject, the scope of the audit was limited to reviewing the Department's management structures for governance, accountability, organizational structure, doctrine, delegated authority for key administrative functions, training, mission support and partnership with other departments, offices, funds and programmes.

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[1] See ST/SGB/2000/9.

[2] See A/55/305-S/2000/809.

[3] A/55/502 and A/55/977.

[4] A/60/692 and Corr.1 and A/60/846 and Add.1-4, Add.5 and Corr.1 and Add.6-7.

6. The audit was conducted at United Nations Headquarters in New York and in two field missions. The scope of the audit did not include a review of the Organization's overall management structure in guiding and supporting peace operations, including peacemaking, peacebuilding and special political field operations not led by the Department. The critical findings and recommendations concerning the Department's management structures and interaction with other partners in peace operations outlined in prior reports of the Board of Auditors and OIOS, especially the OIOS report on the comprehensive management audit of the Department conducted in 2005,[5] were taken into account. The audit also analysed and validated the views of Department personnel, heads of missions and key partners in peace operations as solicited through survey questionnaires and interviews.

II. Mandate and changes to the organizational structure of the Department

7. The Department of Peacekeeping Operations was created in 1992 and replaced the Office for Special Political Affairs[6] to better meet the needs arising from a general shift in the purpose of peacekeeping missions from the traditional monitoring and observer operations to larger and more complex mandates. In 1993 the administrative and logistical support capacity for the field missions was transferred to the Department of Peacekeeping Operations from the Department of Management, and is currently housed in the Office of Mission Support of the Department of Peacekeeping Operations.

8. Another significant change to the Department's organizational structure resulted from the implementation of the recommendations of the Brahimi report.[7] A total of 184 additional posts were provided to the Department, significantly enhancing the Military and Police Divisions, the Personnel Management and Support Service and the Office of Operations, among others. The Peacekeeping Best Practices Section and the Change Management Office were also established under the Office of the Under-Secretary-General.

9. In recent years, the Department's operations and responsibilities have been further expanded. The total peacekeeping budget under the Department's responsibility increased from $2.7 billion in the period 2001/02 to $5 billion in 2005/06, including resources for the Department's support for 15 active peacekeeping missions with more than 84,000 personnel combined, as shown in Table 1.

[5] A/60/717.

[6] See ST/SGB/248.

[7] See A/58/746.

Table 1
Trends in peacekeeping operations resources and strength over the past five years

	2001/02	*2002/03*	*2003/04*	*2004/05*	*2005/06*
Resources					
Peacekeeping budgets (billions of United States dollars)	2.7	2.6	2.8	4.4	5.0
Strength					
Military contingents	38 100	34 901	48 988	55 909	61 748
Military observers	1 826	1 929	2 022	2 166	2 692
United Nations police	7 957	6 181	5 251	6 765	7 371
Civilian staff in missions	16 793	11 364	10 545	12 236	12 770
Total	**64 676**	**54 375**	**66 806**	**77 076**	**84 581**

Source: A/60/696.

10. The Security Council has instructed that more mandates of field missions should be of a multidimensional, integrated nature. In addition, the Department has been providing logistical and administrative support to the political and peacebuilding missions managed by the Department of Political Affairs. There are 14 such missions, including four for which the Department has both substantive and political responsibility. In a previous report, OIOS recommended that the Department's mandate be revised to reflect its substantive responsibility for special political missions.[8] The Department accepted that recommendation.

11. At the same time, the Department's organizational structure has undergone significant change since 2001. For example, the Military and Police Divisions and the Mine Action Service have been reorganized to report directly to the Under-Secretary-General. Also, the Integrated Training Service was created, as recommended by the Special Committee on Peacekeeping Operations, to combine multiple training units.[9] As a result of these changes, the respective roles, responsibilities and reporting lines of these important activities have changed significantly.

12. The Department's organizational components are arranged into five main subprogrammes: the Office of Operations, the Office of Mission Support, the Military Division, the Police Division and the Mine Action Service. The subprogrammes consist of various divisions, services, sections and units responsible for further-defined specialized activities, forming a typical functional organizational structure, as shown in the annex below.

13. The results of OIOS surveys and interviews indicated that despite the efforts of senior management, some staff members of the Department did not believe that they were adequately informed of the reform changes and initiatives. Likewise, the Department's organizational structures were not clear to most of its partners and field missions. In the opinion of OIOS, this was due mainly to the fact that the

[8] See A/61/357.

[9] *Official Records of the General Assembly, Fifty-ninth Session, Supplement No. 19* (A/59/19), part one, para. 123.

Secretary-General's bulletin officially promulgating changes in the functions and organization of the Department had not been updated since 2000.[10]

III. Governance, accountability and delegated authority

14. In order to fulfil the challenging responsibilities of managing peace operations while efficiently using budget resources provided by the Member States, the Department's management structures must provide strong governance and accountability. As pointed out in the report of the Secretary-General "Investing in the United Nations: for a stronger Organization worldwide: accountability",[11] a comprehensive system of accountability is based on the premises that responsibility must be clearly defined, managers and staff must have the resources, capacity and authority to carry out their respective responsibilities, and accountability must be established at all levels through appropriate mechanisms. OIOS found that the governance and accountability provided by the Department's current management structures should be strengthened in a number of areas.

A. Doctrine development

15. One of the main responsibilities of the Department's management is to ensure that all staff receive proper guidance and are informed about what they are expected to achieve, how they should perform assigned tasks and what they are accountable for in carrying out their duties. This should be accomplished by establishing formal processes and procedures governing the work of the Department to serve as the foundation for the multi-dimensional peacekeeping doctrine and management culture. Formal processes and procedures should also serve as control tools contributing to improved consistency in the Department's operations and successful achievement of its objectives. The doctrine should be a part of the Department's internal control framework designed to contain risks within risk tolerances and ensure that the control environment promotes integrity and ethical values as required by the Charter of the United Nations.

16. However, the Department does not have a comprehensive doctrine that includes formal standard processes and procedures. As a result, the Department's staff have had to improvise and use ad hoc processes and procedures that are sometimes not harmonized among its various offices. Although the Brahimi report and related reports of the Secretary-General have pointed out this weakness, it still has not been fully addressed. The Department's working group on organization issues of the "Peace operations 2010" reform programme pointed out in its April 2006 report that the Department's staff expressed concern that their "tasks and outputs are often vague and open-ended, apparently complicating the planning and implementation process, and making it more difficult to hold staff accountable". The staff also stated that "accountability is highly diffused" in the Department, and that the accountability and responsibility of senior managers in the Department should be more clearly defined.

[10] ST/SGB/2000/9.

[11] A/60/846/Add.6.

17. In addition, the lack of formal processes and procedures governing the internal delegation of authority has undermined the effectiveness of the Department's decision-making processes. The report of the Secretary-General on the implementation of the recommendations in the Brahimi report[12] stated that the Department's management culture was risk-averse and did not encourage initiative at the mid-management level, resulting in authority and decisions too often being passed up the chain of command. The Department's working group on organization also reported, "there is a widely held view that efficiency is hampered by the lack of delegation of authority throughout the Department and the senior management's ability to focus on strategic activities and guidance could be enhanced by the downward delegation of certain administrative and routine tasks".

18. The processes and procedures governing integrated efforts among cross-divisional work and interaction with the Department's partners were also largely informal and needed further development, as discussed in paragraphs 56 to 65 below.

19. OIOS acknowledges that, in the context of the "Peace operations 2010" initiative, the Department has defined "doctrine" as a key component for putting in place a comprehensive system of guidance on United Nations peacekeeping that reflects best practices, elaborates policy and establishes standard operating procedures. In response to a recommendation contained in a prior OIOS report,[13] the Department's Peacekeeping Best Practices Section added many directives, existing standard operating procedures and other guidance to the Department's website and continues to assist in organizing and updating policies and procedures with other offices of the Department.

20. For example, the Office of Mission Support initiated a far-reaching effort to develop a strategy and management framework governing the execution of procurement for peacekeeping missions. A task force was established in April 2006 to develop and implement, by the beginning of 2007, streamlined procedures with strong internal controls, a clear definition of responsibilities and a standardized organizational structure for all entities involved in the procurement process.

21. In consultation with its partners in peace operations, the Department also developed a comprehensive guideline document on the integrated mission planning process, which the Secretary-General approved in June 2006 as the authoritative basis for all United Nations departments in planning integrated missions.

22. However, the Department needs to consider how the daily users — its Headquarters and mission staff members — can better understand and practically utilize the doctrine. In response to an OIOS survey, staff of the Department noted that more work should be done to identify what was needed and expected from staff in the context of doctrine development. In the opinion of OIOS, the doctrine that is being developed should also include process maps to clearly show the workflow, cross-divisional interfaces and management approval lines for all entities involved in peacekeeping and other operations led by the Department. Although the Department started organizing and updating procedures and process mapping, timelines to complete these tasks had not been set at the time of the audit. The doctrine, when developed, must be fully communicated and properly implemented.

[12] A/55/977.

[13] A/58/746, paras. 45-48.

B. Performance measurement and results-based budgeting

23. The results-based budgeting framework is an essential performance measurement tool for United Nations departments and programmes to ensure proper governance and accountability. It is designed to help ensure that a department's budgeted resources are directly linked to its goals and that accomplishments are measured against the established quantifiable indicators of achievement. Current practice is to compare actual results with the target indicators of achievement at the end of the budget period in a performance report.

24. While OIOS recognizes that improvements have been made in the Department's results-based budgeting framework since its introduction in the 2003/04 budget cycle, there has been insufficient use of results-based budgeting as a performance measurement system or as a strategic framework to govern the Department's operations. There was no clear evidence that indicators of achievement were included in the workplans of the Department's managers and officers, or that their accomplishment was periodically evaluated on the basis of results-based budgeting. At the subprogramme level, some line managers and officers were not aware of their results-based budgeting indicators of achievement. Furthermore, OIOS did not find an effective structure or sufficient evidence to show that the Office of the Under-Secretary-General adequately monitored the Department's five subprogrammes to ensure that they had met the target indicators of achievement. In the opinion of OIOS, a dedicated evaluation officer needs to be assigned to the Office of the Under-Secretary-General to be responsible for monitoring the performance of subprogrammes, on the basis of related performance data and a relevant indicator methodology.

25. The Department's results-based budgeting framework also needs to be better aligned with the mandated core functions of its subprogrammes. For example, according to the Department's mandate, the Office of Operations is responsible for "coordinating and integrating inputs from within the Department and from other entities".[14] In the opinion of OIOS, the Office's current results-based budgeting framework does not properly measure the performance of its coordinating and integrating functions. *In its response to the OIOS draft audit report, the Department commented that the results-based budgeting frameworks for 2005/06 and 2007/08 have as their second and third expected accomplishments the rapid deployment and establishment of peacekeeping operations in response to Security Council mandates, and the increased efficiency and effectiveness of peacekeeping operations. Those accomplishments, when reviewed with the indicators of achievement and the outputs, measure the performance of the Office of Operations in terms of coordinating and integrating inputs from within the Department and from other entities.* However, OIOS believes that the performance indicators set by the Department have to be revised to adequately measure the above-stated functions of the Office of Operations.

26. The Department needs to ensure that the performance of its subprogrammes is measured against their specific responsibilities. Some key performance indicators of the Department did not conform to the functions and activities of the subprogrammes. For example, one of the indicators for the Military Division involves the "deployment of military components within the timelines planned for

[14] ST/SGB/2000/9, para. 5.3 (c).

specific operations",[15] with an objective of 60 per cent timely deployments targeted for the 2006/07 budget cycle. However, in the opinion of OIOS, the Division should be held responsible only for the *generation* of military components and not for the entire *deployment*, because significant work by other subprogrammes is required before the deployment of military components takes place. For example, the Office of Operations provides political assessment and the Office of Mission Support is responsible for complex logistical arrangements, including the finalization of memorandums of understanding with the troop-contributing countries. Other support arrangements, such as procurement of transportation for military personnel and equipment, are also needed to accomplish the deployment.

27. The Department has taken steps to address the prior observations of OIOS that the results-based budgeting process took place independently of the Department's planning for new field missions, and that the field missions' results-based budgeting processes were not linked to their strategic planning for mandate implementation.[16] The planning guidelines of the integrated mission planning process require mandatory linkages between strategic planning and the results-based budgeting of new field missions. The results-based budgeting process also conforms to a results-based concept for managing all operational areas and evaluating achievements, which was proposed in the report on the comprehensive review of governance and oversight within the United Nations conducted by the independent Steering Committee for the implementation of the 2005 World Summit Outcome.[17]

C. Delegated authority in key administrative and logistical support functions

28. The Department of Peacekeeping Operations carries out administrative and logistical support functions such as procurement in field missions, recruitment, information technology, finance and budgeting under the authority delegated by the Department of Management. Therefore, the two Departments need to coordinate closely in order to balance operational needs to monitor the effectiveness of the delegation of authority granted by the Department of Management.

29. However, prior OIOS audits concluded that internal controls and compliance with United Nations rules and regulations in carrying out those functions were weak due to inadequate design and implementation of internal controls. OIOS recommended strengthening the related internal controls and managerial accountability at all levels.[16]

30. In response to the recommendations of OIOS, the Department of Peacekeeping Operations and some peacekeeping missions indicated that certain United Nations regulations and rules were outdated, were too rigid and did not correspond to the current field realities in peacekeeping missions. In addition, they stated that the regulations and rules needed to be harmonized between United Nations agencies and the field missions. However, no specific cases or examples to support these opinions were provided to OIOS.

[15] A/60/6 (Sect. 5), table 5.13, indicator of achievement (a) (i).

[16] See A/60/717.

[17] A/60/883 and Add.1-2.

31. The OIOS comprehensive audit of the Department found cases of non-compliance with rules and procedures and weaknesses in managerial accountability at all operational levels and concluded that "one of the root causes of this situation is the reluctance of management to hold staff members accountable for violations of rules and regulations and poor management".[18] In the opinion of OIOS, the Department of Peacekeeping Operations needs to identify financial rules and procedures that it believes may adversely affect peacekeeping operations and, if necessary, bring those in need of revision to the attention of the Department of Management for review and submission to the legislative bodies for approval, as appropriate.

32. *In its response to the OIOS draft audit report, the Department of Peacekeeping Operations commented that certain short-term procedures to facilitate the rapid deployment of new or expanded United Nations missions had been developed together with the Department of Management and agreed to by the Secretary-General. Those special measures included, inter alia: (a) the reassignment of civilian personnel without advertisement of the post, and with the existing delegations of authority, pending completion of the designation process under Secretary-General's bulletin ST/SGB/2005/7 of 13 April 2005; (b) a waiver of the two-month requirement for notification to all Member States for gratis personnel; (c) relief from the present three-month limit on the temporary deployment of civilian personnel; (d) the use of general temporary assistance to establish additional planning capacity at Headquarters and in the field; (e) an increase in procurement delegations; (f) entering into letters of assist with troop-contributing countries without competitive bidding and Headquarters Committee on Contracts approval, where the support required is immediate and the cost is assessed to be reasonable; and (g) non-competitive, single-source contracts for the provision of logistics support, where sufficient time is not available to follow normal procurement procedures, subject to a determination by the Under-Secretary-General for Peacekeeping Operations with the concurrence of the Under-Secretary-General for Management.*

33. *The Department of Peacekeeping Operations also commented that other specific human resources issues had been addressed to the Department of Management, including: (a) the lack of capacity to deploy staff from one mission to another to meet urgent operational needs; (b) strict eligibility criteria and the application of grading guidelines on the determination of level and step at recruitment under various existing contracts; and (c) a lengthy process and unclear procedures for the designation of staff members performing significant functions in the management of financial, human and physical resources. To address these challenges, the Secretary-General proposed, as part of his human resources reform proposals,[19] to establish 2,500 career civilian peacekeeping personnel in both the Professional and Field Service categories to meet baseline peacekeeping needs in critical functions in the substantive, logistical and administrative areas. Those civilian career peacekeepers would be centrally managed by the Department of Peacekeeping Operations and would be subject to rotation and rapid deployment to meet operational requirements.*

[18] A/60/717, summary, fourth para.

[19] A/61/255, para. 401.

Procurement authority

34. OIOS previously reported on a number of irregularities in procurement activities of the Department of Peacekeeping Operations indicating systematic breaches of United Nations regulations and rules and generally weak or non-existent internal control systems, which led to a high exposure to the risk of fraud and abuse.[16] It is encouraging to note that the Department has already made efforts to mitigate such risks, as discussed in paragraph 20 above. Also, the Department of Peacekeeping Operations and the Department of Management are reviewing the management structure of procurement staff in peacekeeping operations and the training programmes for staff serving in field missions.

35. Procurement activities for field missions involve the personnel of the missions, the Department of Peacekeeping Operations and the Department of Management. Under the most recent delegation of authority from the Secretary-General, the Under-Secretary-General for Management delegated procurement authority to the Assistant Secretary-General for Central Support Services, Department of Management, by ST/AI/2004/1, dated 8 March 2004. By a memorandum dated 16 February 2005, the Assistant Secretary-General for Central Support Services delegated the authority for field mission procurement to the Assistant Secretary-General for Mission Support, Department of Peacekeeping Operations, who accepted the delegation by a memorandum dated 7 June 2005,[20] and further delegated this authority to the field missions. However, the procurement authority for purchases exceeding $200,000 has not been delegated by the Assistant Secretary-General for Central Support Services to the Department of Peacekeeping Operations except in regard to purchases of core requirements for field missions up to $1 million. Procurement cases for amounts above the delegated authority require a review by the Headquarters Committee on Contracts. In response to an OIOS survey on procurement-related matters, mission staff made a number of comments that indicated a need to strengthen the control of the Department of Peacekeeping Operations over field procurement activities, to examine the effectiveness of the delegation of authority to the Department and to review the Headquarters Committee on Contracts financial threshold. For example, staff of the Department and of missions noted that:

(a) There are ongoing delays in the procurement of goods and services for field missions;

(b) A substantive review by the Department is needed for field procurement purchases in amounts exceeding the delegated authority, before procurement cases are submitted to the Headquarters Committee on Contracts. Currently, the Department exercises no control in this process, and its role is limited to making presentations to the Headquarters Committee on Contracts or answering some of the Committee's questions on behalf of missions. On the other hand, the Procurement Service of the Department of Management communicates directly with the missions concerning questions about procurement actions.

[20] The Assistant Secretary-General for Mission Support noted in this memorandum that "while OMS [Office of Mission Support] will make every effort to absorb these additional responsibilities within existing staffing, additional resources may be required to ensure that the delegation is properly managed. This issue should be considered in the context of the review of delegation in 2006".

36. Efforts have been made recently to alleviate these problems. The Secretary-General, in his 2006 report "Investing in the United Nations: for a stronger Organization worldwide: procurement reform",[21] recommended that the financial threshold in respect of procurement cases vetted by the Headquarters Committee on Contracts be reviewed to allow the Committee to devote more time to strategically significant procurement issues and that the Department establish a dedicated capacity within the Department to enable it to assume responsibility and accountability for the delegated procurement authority for its Headquarters and field procurement activities.

37. It should be noted that in its 2002 report,[22] OIOS recommended raising the Headquarters Committee on Contracts financial threshold from $200,000 to $1 million. OIOS observed that the Headquarters Committee on Contracts secretariat lacked sufficient staff resources to serve as an adequate internal control mechanism and that a threshold of $1 million would reduce the Committee's workload by 66 per cent and expedite procurement lead time. However, the Department of Management has not accepted that recommendation.

38. As indicated in paragraph 35 above, the delegated procurement authority of the Department of Peacekeeping Operations has been raised to $1 million for core requirements (i.e., essential goods and services, which by their nature lend themselves to local procurement). In the opinion of OIOS, a dedicated capacity within the Department of Peacekeeping Operations to assume responsibility and accountability for that delegated authority is a necessary step to ensure adequate internal control over field procurement. The Department of Peacekeeping Operations and the Department of Management need to design proper control mechanisms commensurate with the increased procurement authority of the former.

Information and communication technologies

39. In its recent report on the comprehensive management audit of the Department of Peacekeeping Operations,[5] OIOS recommended that the Communications and Information Technology Service in the Office of Mission Support be repositioned to report directly to the Under-Secretary-General in order to provide services and strategic technological leadership to the Department, and not only to the field missions. OIOS found that the existing positioning of the Service led to the inefficient deployment of resources and impeded the efficient delivery of services. OIOS also concluded that the Service's reporting structure impeded effective advocacy of the information and communication technologies (ICT) agenda at the highest level in the Department, which is necessary to carry out the Service's strategic mandate and ensure optimum use of ICT throughout the Department.

40. In addition, the Department does not have a fully developed information management strategy, and its existing capacity is used to address the ad hoc requirements of its services and divisions. Several information management units within other services and divisions of the Department have independently developed information systems that are not streamlined or harmonized with systems of the Communications and Information Technology Service. This situation does not comply with the Secretary-General's ICT initiative (ST/AI/2005/10), which calls for

[21] A/60/846/Add.5 and Corr.1.

[22] OIOS assignment AN2001/62/2.

coherent and coordinated use of ICT. Efficiency and other benefits expected from automation and information technology need to be maximized. In this regard, OIOS reiterates its prior recommendation that the Department finalize its information management strategy, carefully analyse ongoing information-system initiatives for interoperability and interconnectivity with existing and future information technology (IT) systems and accordingly reposition the current IT capacity within the Department.[16]

Finance and budget

41. Responsibility and accountability are key factors in properly managing peace operations. However, responsibilities in the budget and finance areas are not clearly defined at the mission or Headquarters level. In the field, the head of mission is considered accountable for preparing the budget, but financial authority is delegated to the Director of Administration. Similarly, the reporting lines of the head of mission to the Security Council, the Secretary-General and the Department are not formally defined and enforced.

42. The comprehensive OIOS management audit of the Department of Peacekeeping Operations showed that there was duplication of effort between its Finance Management and Support Service and the Department of Management's Office of Programme Planning, Budget and Accounts in the budget and finance areas of operations.[16] The Controller allots funds to the Department of Peacekeeping Operations, which then sub-allots funds to its field missions. The Finance Management and Support Service and the Office of Programme Planning, Budget and Accounts are both responsible for financial reporting and monitoring the missions' budgets. Although the Department of Management and the Department of Peacekeeping Operations commented that their roles in reviewing mission budgets were distinct, both Departments agreed to streamline the budget process for peacekeeping operations and eliminate any duplication. They also agreed that only the Accounts Division of the Office of Programme Planning, Budget and Accounts would review the missions' accounts.

43. During the critical early period of establishing a new peacekeeping operation when approval of the mission budget is pending, the Department of Peacekeeping Operations uses pre-mandate commitment authority to initiate logistical support operations. However, in the comprehensive audit report, OIOS concluded that the current $50 million limit in pre-mandate commitment authority from the Peacekeeping Reserve Fund is no longer sufficient in the context of large missions, and since the pre-mandate commitment also includes replenishment of strategic deployment stocks. The insufficiency of the pre-mandate commitment authority may preclude the timely establishment of proper organizational and reporting structures needed to effectively manage Department of Peacekeeping Operations and field missions, in terms of the segregation of functions and the recruitment of key personnel. The Department of Management agreed with the recommendation of the Office of Internal Oversight Services to conduct a study and seek an appropriate increase in the pre-mandate commitment authority. However, no action has yet been taken.

Human resources management

44. In 1994, the Office of Human Resources Management of the Department of Management delegated the recruitment authority for field missions to the Department of Peacekeeping Operations with the understanding that the delegation would assist the latter in providing more efficient and expeditious staffing of peacekeeping operations. The Department of Peacekeeping Operations was thus responsible for recruiting, deploying and administering international civilian staff serving in field missions. The Personnel Management and Support Service was established within the Department of Peacekeeping Operations to carry out those functions.

45. During the comprehensive management audit of the Department of Peacekeeping Operations, OIOS found that the exercise of this delegated authority was inefficient because the Department had not further delegated the recruitment authority to the field missions, although limited recruitment authority was delegated to the United Nations Interim Administration Mission in Kosovo and the United Nations Transitional Administration in East Timor.[16] Instead, the Personnel Management and Support Service became an intermediary between the Office of Human Resources Management and the field missions. According to the Department of Management, the Office of Human Resources Management has not effectively monitored the authority delegated to the Department of Peacekeeping Operations because of resource limitations. In this regard, OIOS recommended that the Department of Management conduct a comprehensive and objective review to assess the success of the delegation of authority to the Department of Peacekeeping Operations. The Office of Human Resources Management advised that the review had begun recently.

46. One of management's main functions is to ensure timely and adequate staffing in all key operational areas. As at 31 May 2005, there was an overall vacancy rate of 23 per cent in the missions, and vacancies in the international Professional category and above were at 32 per cent. Vacancy rates of over 20 per cent in ongoing missions could be detrimental to the implementation of their mandates. As indicated in the OIOS report, the Personnel Management and Support Service and the Office of Human Resources Management have not taken adequate measures to control vacancy rates, and OIOS recommended the development of action plans for each mission to monitor vacancies and set targets for attaining the desired staffing levels. In response to the recommendation of OIOS, the Department of Peacekeeping Operations set the results-based budgeting vacancy rate performance measure for international staff at 7 per cent in the missions, including a 5 per cent vacancy rate target for national staff for the 2006/07 budget period.

47. Department of Peacekeeping Operations managers indicated that resources, especially in terms of the staffing of mission support capacity at Headquarters, were not commensurate with the expanding scope and challenges of multidimensional peace operations over the past five years. Clearly, the resources of the Department of Peacekeeping Operations need to be adequate to fully meet the responsibility and accountability requirements of supporting field missions. However, OIOS is not in a position to comment on whether the Department's current level of staffing and other resources is adequate, because the Department has not established a baseline resource ratio that is commensurate with support requirements for field missions, as recommended in the Brahimi report in 2000. The Department should conduct a

review as soon as possible and analyse the existing capacities of the Department of Peacekeeping Operations and the Department of Management at Headquarters and in the field missions to perform equivalent support functions to minimize duplication and overlap.

Career development plan

48. OIOS interviews and the results of its survey indicated that the level of skills and knowledge among staff often did not meet the requirements of their positions. The gap exists at various levels at Headquarters and in the missions. One of the main causes of this condition is that peace operations were never promoted as a potential long-term career path for staff. Yet the United Nations has carried out peacekeeping efforts for some six decades, proving that peacekeeping has become a core business and permanent feature of the Organization. Due to the lack of structured career development plans for peacekeepers, the Department of Peacekeeping Operations faces the risk of not being able to nurture and develop a pool of staff members with comprehensive knowledge of peace operations for the long-term benefit of the Organization. In the opinion of OIOS, there is an urgent need to establish a comprehensive career development programme and the training system to support it. The Department took initial action to address this issue by establishing in July 2006 the Integrated Training Service within the Change Management Office to improve the preparedness of all categories of personnel to serve in field missions and to provide ongoing professional education and training of staff.

49. In its reform strategy "Peace operations 2010", the Department of Peacekeeping Operations recognized that its people are its main asset and that there is a need for a more professional approach in recruiting and retaining personnel who are highly qualified with wide experience in peace operations. *In its response to the OIOS draft audit report, the Department commented that more work is needed to address the underlying causes of the 30 per cent turnover of Professional staff in the field and persisting high vacancy rates in United Nations peace operations to create a stable staffing complement that can be trained and developed to meet the organizational needs. To this end, the Secretary-General has already put forward proposals to address marked differences in the conditions of service offered to staff in field operations, including the introduction of a single staff contract under one series of staff rules, the designation of missions as family or non-family on the basis of the security phase, and harmonization of conditions of service for staff serving in non-family duty stations with those of the United Nations agencies, funds and programmes.* Furthermore, the Secretary-General's report "Investing in the United Nations: for a stronger Organization worldwide"[23] noted that the future United Nations workforce will have a core of career international civil servants performing long-term functions. As indicated in paragraph 33 above, approximately 2,500 internationally recruited positions in peacekeeping and special political missions will be identified to form that required capacity.

[23] A/60/692 and Corr.1.

D. Enterprise risk management mechanism as part of the internal control framework

50. All entities face uncertainty, and the challenge for management is to determine how much risk it is prepared to accept as it strives to achieve its objectives. This challenge is especially applicable to the dynamic environment of the Department of Peacekeeping Operations. OIOS is quite concerned that the Organization, including the Department of Peacekeeping Operations, has not yet adopted an internal control framework, including an enterprise-wide risk management process in accordance with good practices in public-sector organizations. Thus, the Department needs to introduce such a process as part of its internal control framework. The Committee of Sponsoring Organizations of the Treadway Commission (COSO),[24] an organization dedicated to improving the quality of financial reporting through business ethics, effective internal controls and corporate governance, defined enterprise risk management as "a process, effected by an entity's board of directors, management and other personnel, applied in strategy-setting and across the enterprise, designed to identify potential events that may affect the entity, and manage risk to be within its risk appetite, to provide a reasonable assurance regarding the achievement of entity objectives". The International Organization of Supreme Audit Institutions (INTOSAI)[25] has accepted and incorporated the COSO control framework concept into the INTOSAI guidelines for internal control standards for the public sector.

51. The external risk assessment of the Department of Peacekeeping Operations commissioned in 2006 by OIOS identified the key risks the Department faces and found a high level of risk and a considerable lack of formal business processes in most management and operational areas. The assessment concluded that there was a need to develop a risk management mechanism, particularly with regard to resource management, business processes and information technology support. The Department must now evaluate its capability to manage risks and make adjustments to its existing processes to enhance its overall risk management expertise.

E. Structure of the monitoring function

52. The work of the Department of Peacekeeping Operations is diverse and its mandate is challenging. It is exposed to various risks that need to be monitored and managed. Effective integration of subprogramme objectives is of paramount importance. However, the Department's monitoring function is not adequately structured, which generally leaves the subprogrammes to monitor their own work. In

[24] COSO was originally formed in 1985 to sponsor the National Commission on Fraudulent Financial Reporting, an independent private-sector initiative that studied the causal factors that can lead to fraudulent financial reporting and developed recommendations for public companies and their independent auditors, for the United States Securities and Exchange Commission and other regulators and for educational institutions. The National Commission was jointly sponsored by five major professional associations in the United States of America: the American Accounting Association, the American Institute of Certified Public Accountants, Financial Executives International, the Institute of Internal Auditors and the National Association of Accountants (now the Institute of Management Accountants).

[25] INTOSAI is the professional organization of supreme audit institutions in countries that belong to the United Nations or its specialized agencies. Supreme audit institutions play a major role in auditing government accounts and operations and in promoting sound financial management and accountability.

the opinion of OIOS, several areas of the monitoring function are critical and need to be enhanced within the Office of the Under-Secretary-General. These include the Department's results-based budgeting framework and performance evaluation of subprogrammes, enterprise risk management, its information management strategy, change management to support the reform initiative, doctrine development, best practices and lessons learned.

53. The monitoring activities are closely interrelated and require a well-organized structure to ensure and produce the maximum benefit for the Department in ensuring that its goals are achieved. Also, the Department's partners in peace operations, in responding to an OIOS survey, pointed out a need for establishing a formal central policy dissemination and communication function within the Department. Although the Change Management Office and the Peacekeeping Best Practices Section are currently located in the Office of the Under-Secretary-General, their work needs a more organized approach.

IV. Interaction, coordination and cooperation with partners

A. Relationship with partners in peace operations

54. Although the Department of Peacekeeping Operations is the lead department for peacekeeping operations in carrying out the current multidimensional peace operations it relies on the support of many partners at Headquarters and in the field, as shown in table 2. Some partners, especially the United Nations agencies that form the country teams, have the advantage of knowledge and experience in the field due to their presence in most of the countries with conflicts long before the Department has established its missions. Some partners possess disciplines and information that may not be available within the Department. Its Office of Operations is responsible for overall interaction and relationships with these partners, while the Office of Mission Support carries out administrative and logistical functions under authority delegated by the Department of Management and interacts with related partners in operational support areas. Its Military and Police Divisions and Mine Action Service also interact with external partners in their respective areas of operations.

Table 2
Key partners of the Department and their main functions in peace operations

Partners	*Functions and disciplines*
Department of Management	Administrative and logistical functions such as finance, budgeting, procurement, recruitment and IT strategy
Department of Public Information	Public information and communication strategy
Department of Political Affairs	Political and substantive lead for special political missions and planning

Partners	*Functions and disciplines*
Office of Legal Affairs	Rule of law
Office for the Coordination of Humanitarian Affairs	Humanitarian assistance
Department of Safety and Security	Security
Office of the United Nations High Commissioner for Human Rights	Human rights
Field missions led by the Department	Implementation of their mandates
United Nations Children's Fund	Child protection
United Nations Development Programme and other agencies on the United Nations country teams	Various socio-economic development issues, reintegration in the disarmament, demobilization and reintegration process
African Union, European Union, North Atlantic Treaty Organization and other external partners	Cooperation, coordination and consultation in peace operations

55. OIOS surveyed the key partners of the Department to determine the effectiveness of their interaction, coordination and cooperation in peace operations. Generally, the partners responded that the Department interaction and relationships with them have been satisfactory. Most of the respondents stated that the political and executive support provided by the Department was adequate and that the Department was able to effectively coordinate and deliver results in crisis situations.

56. However, most of the respondents were of the view that the communication and cooperation between the Department and its partners could be further improved. Some of the salient comments made by the key partners are summarized below:

(a) A single point of communication between the Department at Headquarters and the field missions and partners is needed;

(b) The Department needs to develop formalized and clearly defined terms of reference for interaction, cooperation and coordination with its partners in peace operations;

(c) Partners work with the Department primarily through ad hoc contacts and informal arrangements, which are somewhat effective but do not contribute to an efficient or consistent approach;

(d) The organizational culture needs to be reformed, as there is a need for more openness in communication and information-sharing to offer divergent opinions on peace operations;

(e) There is a need for guidance by senior Department management on policy priorities that should be the basis of the Department's overall communications strategies.

57. OIOS audits of the management and support of peacekeeping and political missions[26] found that two key cooperation and coordination strategies between the Department of Peacekeeping Operations and the Department of Political Affairs stipulated by the Secretary-General (co-location of Department of Political Affairs regional divisions and the Department of Peacekeeping Operations, and the formation of interdepartmental task forces)[27] have not been sufficiently implemented. Also, staff members of the two Departments indicated that in their view the effectiveness of interaction, coordination and cooperation varied from good to counterproductive. Although the management of the Department of Peacekeeping Operations maintains that the political affairs function in peace operations does not duplicate any of its own functions, in the opinion of OIOS, the political functions of the two Departments were duplicative to a certain degree.[8]

58. The Department of Peacekeeping Operations has recognized the need to establish a framework for interactive partnerships as one of the five elements in its reform initiative "Peace operations 2010". In the view of OIOS, there is a need to develop and execute action plans at the working level concerning the Department's partnership with other departments, United Nations agencies, funds, programmes and other external partners. *The Department commented that it was working to strengthen its external integration with its partners in peace operations through the establishment of common policies, such as the policy on disarmament, demobilization and reintegration, and through the planned establishment of a small unit to manage relationships with the partners.*

B. Integrated mission planning process

59. As the Department assumes responsibility for planning peace operations, as instructed by the Secretary-General, the integrated mission planning process is a key activity requiring the involvement of the Department's partners.

60. The key strategy of the integrated mission planning process is the establishment of the integrated mission task forces, as recommended in the Brahimi report. The task forces were envisioned as a standard vehicle for mission-specific planning and support. Task force members were to be seconded from entities throughout the United Nations system to work with the Department, with the task force leaders having temporary line authority over the seconded personnel.

61. The Secretary-General has concluded that the strategy functions well only as an information exchange and has been less successful as a strategic planning and management mechanism.[28]

62. The key partners also provided feedback on the following points as a result of their participation and experiences with integrated mission task force groups in the previous mission planning process:

(a) Partners are not involved early in the process and frequently need to raise this concern at the highest level in order to be included;

[26] OIOS audit assignments AP2006/560/01 and AP2006/600/15.

[27] See A/55/977.

[28] See A/60/640.

(b) Information-sharing and cooperation often take place on a personalized basis;

(c) Once the mission becomes operational, the roles and responsibilities of various departments and entities are not clearly defined.

63. In this regard, OIOS audits found that the Department needed to review the composition and terms of reference of the integrated mission task forces and clearly articulate responsibilities, including decision-making authority.[29] OIOS also considers it critical that the Executive Office of the Secretary-General enforce and monitor the formation of integrated mission task forces.[30] While the monitoring of the task forces is a function of the Under-Secretary-General for Peacekeeping Operations, as pointed out by the Department in its response to the OIOS draft audit report, OIOS believes that the involvement of the Executive Office of the Secretary-General in this process would greatly contribute to its successful implementation. For example, an interdepartmental task force for the United Nations Assistance Mission for Iraq (Iraq Operations Group) had been formed and was functioning effectively, with the active involvement of and monitoring by the Executive Office of the Secretary-General. The Executive Office shared the view of OIOS and indicated that its involvement helps to improve the effectiveness of interdepartmental task forces, as was the case with recent planning activities for Darfur. In addition, the Department needs dedicated mission planning cells in the organizational structure at Headquarters and in the missions to take full responsibility for leading, coordinating, monitoring and reporting on the planning process.

64. The Board of Auditors noted in 2006 that there still was no clear definition of an integrated mission and that the roles and responsibilities of the various actors involved were not clearly understood.[31] The Board recommended that the United Nations continue to formalize the integrated mission partnerships concept, including their function, structure and role, and finalize governing principles and policies. Also, the Board recommended that there be extensive consultation with the United Nations country teams from the first phase of the mission planning process. *The Department of Peacekeeping Operations commented that the note of guidance on integrated missions was issued by the Secretary-General on 17 January 2006, and the Board of Auditors, in its draft report on peacekeeping operations for the 12-month period ending 30 June 2006, considered the recommendation relating to the definition of an integrated mission and roles and responsibilities as implemented.*

65. OIOS acknowledges the important progress the Department has achieved in consultation with its partners in developing a comprehensive guidance document on the integrated mission planning process methodology, which was approved by the Secretary-General in June 2006. Those guidelines recognize the integrated mission task forces as the key mechanism for ensuring coherence and the consistent engagement of the United Nations system in the mission planning process. The Department also formulated the terms of reference for integrated mission task forces; however, they were still in draft form at the time of the audit. Key partners

[29] See A/58/746 and A/60/717.

[30] OIOS audit AP2006/560/01.

[31] See *Official Records of the General Assembly, Sixtieth Session, Supplement No. 5*, Vol. II and corrigendum (A/60/5 (Vol. II) and Corr.1).

that responded to the OIOS survey noted that the new integrated mission planning process methodology should markedly improve the planning and design of future integrated missions and relations with United Nations country teams and that it would have a substantial positive impact on new missions if properly implemented.

V. Restructuring initiative of the Department

A. Integration enhancement

66. Under the current functional organizational structure of the Department, each specialized unit of its five subprogrammes reports to its own subprogramme chain of command. In carrying out the Department's core responsibilities, such as the rapid deployment of a multidisciplinary mission, the efficient and effective integration of separate functions is critical, while the proper governance and accountability of each office and unit are maintained. The effective integration of the work of the specialized units through information-sharing, communication and streamlining of cross-cutting processes, which would facilitate efficiency and synergies, is a key factor for success in achieving the Department's goals. Also, the Department should ensure effective communications between its specialized units, field missions and partners in peace operations.

67. On the basis of the results of OIOS interviews and surveys of officers and partners of the Department, and a review of related reports and internal studies of the Department, OIOS concluded that the integration of operational processes in the Department was inadequate. This was a significant weakness of the Department's management structure, amplified by the lack of a proper doctrine, a comprehensive performance measurement system and an enterprise risk management mechanism as discussed in section III above.

68. Managers and staff of the Department commented that its subprogrammes and sub-units were working in "silos" without sufficiently communicating and understanding one another's inputs and outputs. Also, the Department's working group on organization for the "Peace operations 2010" programme highlighted that "evidence suggests that most cross-divisional work processes are personality-dependent, informal, not communicated or agreed across the Department, and can fall apart during personnel changes". The opportunities to create synergies that would lead to increased performance were therefore diminished. A report of the Secretary-General[32] noted a fragmented approach among internal offices of the Department and the lack of a formal mechanism to ensure that staff officers in the various offices communicate or coordinate with one another in a systematic and timely manner.

69. Furthermore, the lack of integration in the Department's operational processes and organizational structures, together with insufficient communication, can undermine strategic leadership. Senior managers of the Department commented that they often receive contradictory and/or improperly synthesized information, in part

[32] A/55/977.

because of the problems created by "stove-piping", which undermines their capacity to coordinate an effective international response.[33]

70. In addition, the field missions need to build their own contact networks in the Department to obtain the answers and support they need, especially in the critical early months, according to the Brahimi report. Moreover, partners of the Department and field missions surveyed by OIOS stated that there was a need to enhance the Department's structures to ensure effective communication and information-sharing.

B. Integrated matrix structure

71. The Department identified inadequate integration as a weakness in its management structure and considers this a key issue in its reform efforts. In 2005, it initiated a plan to restructure itself and strengthen its integration. Specifically, in the opinion of OIOS, the Department should be able to institutionalize communications and information-sharing and implement a "one-stop shop" solution for missions and partners to have direct links to Headquarters. However, this should not add an additional level of management to the process.

72. The Under-Secretary-General for Peacekeeping Operations tasked staff members from the Department's various offices and units with forming a Department working group on organization in connection with its "Peace operations 2010" reform plan. In general, there are three types of organizational structures: functional, matrix and project organization. The working group conducted an assessment based on extensive interviews and review of leading practices, and recommended that the Department's headquarters be reorganized as a matrix structure instead of the existing functional structure with five separate subprogrammes. In a matrix structure, functional lines are maintained but provide their resources to the project teams when needed. A matrix structure could incorporate advantages of the functional and project organization structures when properly designed and implemented. OIOS agrees with the working group's recommendations, but points out that significant risks associated with such a reorganization would need to be mitigated.

73. The advantages of deploying integrated teams based on the matrix organizational structure were envisioned in the Brahimi report and further studied by the Department's organizational working group. The advantages of using the integrated approach are as follows:

(a) The integrated teams composed of staff from different subprogrammes will be accountable for all issues pertaining to the missions or countries assigned to them. Therefore, if properly empowered, a team would be able to serve as one single point of communication for field missions and partners;

(b) The Department will be able to assign necessary talent to specific projects without reorganization whenever a new project is initiated;

(c) The practice will assist the Department's partners in contributing staff to interdepartmental or inter-agency task forces to provide support;

[33] Report of the Department of Peacekeeping Operations reform task force, working group on organization.

(d) Integrated teams have already proved to be functioning well, such as in the case of the formally established Integrated Training Service and the ad hoc Darfur planning team, which is tasked with planning a possible Department of Peacekeeping Operations mission in Darfur.

74. The Department's organization working group explored four options for restructuring, as shown below, and recommended implementing option (c):

(a) *Maintain the organizational status quo* with the current functional structure and improve internal processes without the implementation of integrated teams;

(b) *Light integration* grouping individual "liaison officers" around Office of Operations teams;

(c) *Medium integration* using teams under Office of Operations leadership with an Office of Mission Support element of six or seven staff and one or two military and/or police officers;

(d) *Full integration* using teams under Office of Operations leadership with teams of mission support, military and police personnel comprising about 30 staff.

75. According to the Group's proposal, the medium integration model is a practical approach because it offers the advantage of implementation within existing resources and can be implemented progressively with limited impact on ongoing operations.

76. The "light integration" approach would not be sufficient to provide a "one-stop shop" function because of the limited empowerment given to the integrated teams. In addition, with that approach it might not be possible to accomplish a complicated project requiring considerable time, such as planning a large field mission. On the other hand, full integration would require the approval of the Secretary-General and the Member States because of the magnitude of the required changes and the significant additional staff resources required, especially in military and police areas. The Department's day-to-day operations could also be disrupted.

77. In the opinion of OIOS, the deployment of integrated teams based on a matrix organization would present the opportunity to improve the Department's management structure if properly implemented. In the view of OIOS, the Department is on the right track in reforming itself and has to choose what specific options should be implemented. The recommendations of the Department doctrine working group to improve doctrine and provide relevant training for staff members should be considered as a prerequisite to implementation of the Department's reform programme.

78. If the Department decides to adopt an integrated matrix organization, it must ensure that risks associated with designing and implementing integrated teams are managed within an appropriate level of risk tolerance. Otherwise, if not sufficiently mitigated, the risks could undermine the expected benefits of the integrated matrix organization and render restructuring efforts wasteful. In the opinion of OIOS, the following factors should be taken into consideration when implementing the integrated matrix organization:

(a) The work expectations, roles and responsibilities of the integrated teams should be clearly defined and understood by all entities and staff involved, including

field missions, partners, functional line managers and officers, as well as team members;

(b) Integrated teams should be adequately empowered or be staffed by sufficiently senior officers to ensure that the teams have the power to make decisions. Delegation of authority should be clearly defined to ensure accountability;

(c) Team members should be able to obtain technical support from the functional units;

(d) The Department needs to design and implement a performance evaluation system to institutionalize dual reporting in the integrated matrix organization. The performance of integrated team members should be evaluated by the team leader and functional managers. Careful design is required to ensure that team members are assessed fairly. It is also critical that the functional managers whose staff are participating in the integrated teams be evaluated in terms of their commitment and support for the teams;

(e) Terminology used in the formulation and operation of the integrated teams should be standardized and agreed to within the Department to minimize misunderstandings;

(f) The Department should steer the restructuring in consonance with the Organization's reforms. For example, the information management strategy of the Department should be developed taking into consideration that of the Secretariat.

C. Change management

79. Many of the Department's staff responding to the OIOS survey noted that they were quite comfortable with the present organizational arrangements even though those arrangements lacked integration and diffused accountability. In the view of OIOS, staff at all levels within the Department should be involved in the restructuring process once a decision has been made to go forward. Better internal communications, frequent updates on progress and transparency of the process must be adequately considered so that the "buy-in" of Department staff at all levels is achieved.

80. In the view of OIOS, the Department needs to develop a stronger structure to implement its "Peace operations 2010" initiative, proposed by the Under-Secretary-General for Peacekeeping Operations as a vision to ensure that the Department is able to meet the rapidly evolving needs of peace operations. Earlier, the Board of Auditors, in the context of the Brahimi report, recommended the development of a proper project plan to systematically document steps to be taken to implement the Brahimi plan, including clearly defined milestones and indicators to measure the desired impact within defined time frames with clear indications of allocation of responsibilities and cost estimations.[34] OIOS agrees with this type of approach and its application to the "Peace operations 2010" initiative. So far, efforts related to the "Peace operations 2010" initiative have been carried out by temporary working groups. There is a need to develop a comprehensive plan showing which offices and

[34] See *Official Records of the General Assembly, Fifty-ninth Session, Supplement No. 5*, Vol. II and corrigendum (A/59/5 (Vol. II) and Corr.1).

officers would be responsible for implementing approved changes proposed by the working groups.

81. The implementation of changes is not an event but a long-term process to be managed systematically, requiring substantial investment and attention from senior management. To facilitate such change, in the opinion of OIOS, the Department's Change Management Office is in the best position to assume responsibility for coordinating the "Peace operations 2010" initiative and therefore should be designated as the first line of accountability for the outcome of the reorganization. The Office reports directly to the Under-Secretary-General and thus is better able to manage potential conflicts that may emerge among the various components of the Department. The Change Management Office, which would develop and execute a detailed implementation plan of integrated matrix teams, should be empowered to lead and coordinate the change management process. External support is likely to be required for specialist skills in management and business processes. Those external assets could provide expertise in change processes and organizational structures and develop outreach programmes to seek the "buy-in" of groups that feel threatened by the change. The ongoing assessment of organizational reforms will have to be structured and reviewed systematically so that change encompasses already existing best practices and protects departmental strengths.

VI. Recommendations

82. OIOS is making a number of recommendations to improve management structures of the Department of Peacekeeping Operations as follows.

Recommendation 1

83. The Department of Peacekeeping Operations should propose to the Secretary-General an updated mandate that clearly reflects its responsibilities for directing the substantive operations of the special political missions in addition to peacekeeping operations (AP2006/560/01/01).[35]

84. *The Department of Peacekeeping Operations accepted this recommendation, commenting that the increase in the number of special political missions and the diversity of their mandates requires further clarification of its role in managing field operations in such missions. The Department will work closely with the Executive Office of the Secretary-General and other Departments to revise the relevant Secretary-General's bulletins.*

Recommendation 2

85. The Department of Peacekeeping Operations should, on a priority basis, establish an action plan to develop a comprehensive doctrine for peacekeeping and other operations led by the Department by promulgating formal business processes and procedures governing its work that specify the accountability structure, internal delegations of authority and level of integration between the offices and entities involved in cross-divisional business processes. Process maps for all operational areas should be developed to facilitate this task and strengthen the Department's internal control framework (AP2006/600/01/02).

[35] The symbols in parentheses in this section refer to an internal code used by OIOS for recording recommendations.

86. *The Department of Peacekeeping Operations accepted this recommendation, commenting that it acknowledges the need to develop doctrine and business processes and procedures as an ongoing requirement. An expanded senior management team was established to prioritize areas for doctrinal improvement and review and to promulgate guidance materials such as policies, procedures, manuals and guidelines. The Department established the "guidance project" to provide a comprehensive guidance/doctrine framework for over 1,200 activity areas encompassing all tasks conducted in peace operations. Using that framework, the Department has collected in excess of 5,000 policy and procedural documents governing activities in the Department at Headquarters and in the field. The Department is identifying the gaps in this framework to develop a long-term plan for doctrinal development.*

Recommendation 3

87. The Department of Peacekeeping Operations should ensure that the results-based budgeting framework is coherently linked to the mandated work of the Department's subprogrammes and is effectively utilized to measure their performance to improve governance and accountability mechanisms and ensure the accomplishment of their goals. Also, action should be taken to enhance the structure of the results-based budgeting monitoring and evaluating function within the Office of the Under-Secretary-General (AP2006/600/01/03).

88. *The Department of Peacekeeping Operations accepted this recommendation, agreeing that results-based budgeting can be made a more effective management tool within the Department. Improvements have been made in the quality of results-based budgeting outputs in the past two budgets; however, the Department will examine ways, possibly with external assistance, to improve the management utility of results-based budgeting within the Department, as well as the monitoring and evaluation functions of the Office of the Under-Secretary-General.*

Recommendation 4

89. The Department of Peacekeeping Operations, in coordination with the Department of Management, should identify United Nations rules and procedures that it believes may need revision to meet the increased complexity and changed environment in managing and supporting peace operations in recent years, while still providing a satisfactory level of internal control. Where appropriate, the proposed changes in rules and procedures should be submitted to the legislative bodies for approval (AP2006/600/01/04).

90. *The Department of Peacekeeping Operations accepted this recommendation, commenting that it has already worked with the Department of Management in seeking the Secretary-General's approval to modify or waive certain procedures to facilitate the rapid deployment of new or expanded United Nations missions in East Timor, Lebanon and Darfur. While it is recognized that these are short-term measures, they will form the basis of a request for a more long-term consolidation and rationalization of procedures for the field (see also paras. 32-33 above).*

Recommendation 5

91. The Department of Peacekeeping Operations, in cooperation with the Department of Management, should develop and implement internal controls commensurate with the increased procurement authority delegated to the Department of Peacekeeping Operations, including the establishment of a dedicated capacity within it to assume responsibility and accountability for procurement operations in the field missions (AP2006/600/01/05).

92. *The Department of Peacekeeping Operations accepted this recommendation, commenting that it and the Department of Management have established a joint working group, which has been examining the structure, procedures and controls for procurement over the past six months. In addition, two temporary posts (1 P-5 and 1 P-4) were funded under the 2006/07 support account budget to manage the Department of Peacekeeping Operations delegation of procurement. Additional resources are being sought under the 2007/08 support account budget to enable greater scrutiny of mission acquisition planning and implementation.*

Recommendation 6

93. As recommended by the Panel on United Nations Peace Operations, the Department of Peacekeeping Operations should establish an appropriate baseline staffing and funding level to ensure that Headquarters provides adequate support for peace operations (AP2006/600/01/06).

94. *The Department of Peacekeeping Operations accepted this recommendation, commenting that a mission benchmarking study, undertaken under the auspices of the organization working group, has already been completed for the field. This has given the Department rudimentary templates for staffing mission functions. A similar study is now contemplated for Headquarters staff functions; however, it will require external assistance, as the required resources are not available internally.*

Recommendation 7

95. The Department of Peacekeeping Operations, in coordination with the Department of Management, should review and analyse the roles and responsibilities of both Departments for the existing support capacities at Headquarters and in the field missions to avoid duplication and overlap (AP2006/600/01/07).

96. *The Department of Peacekeeping Operations accepted this recommendation, commenting that the Department highlights the need to address the fundamental systemic problems that prevent it from effectively discharging its mandate to direct, manage and support United Nations peace operations. The Department considers that there are considerable benefits to consolidating overlapping field support functions within the Department. Consolidation would enhance oversight, align resources and responsibility and provide for speedier responses to field mission issues.*

Recommendation 8

97. The Department of Peacekeeping Operations, in consultation with the Department of Management, should initiate career development programmes in various areas of peace operations to ensure the development of highly competent

and experienced groups of United Nations personnel in peace operations. A comprehensive training system should also be developed to support the career development programmes (AP2006/600/01/08).

98. *The Department of Peacekeeping Operations accepted this recommendation, commenting that work on career development and training programmes is already under way. Training and development programmes, including developmental experience, would be designed to equip staff with the required knowledge, skills and expertise.*

Recommendation 9

99. The Department of Peacekeeping Operations should establish an enterprise risk management mechanism as a management tool and as part of a comprehensive internal control framework to identify and mitigate risks in achieving the Department's objectives (AP2006/600/01/09).

100. *The Department of Peacekeeping Operations accepted this recommendation, commenting that it has already initiated a pilot risk management exercise as part of its review of resource decisions for the United Nations Mission in the Sudan expansion into Darfur. The introduction of enterprise risk management will be studied as part of the move to enterprise resources planning, which will be the mechanism for the introduction of new control mechanisms.*

Recommendation 10

101. The Department of Peacekeeping Operations should enhance and strengthen the monitoring function within the Office of the Under-Secretary-General to effectively monitor the work of the Department with respect to (a) the results-based budgeting framework and performance evaluation of subprogrammes, (b) enterprise risk management, (c) the information management strategy, (d) the reform initiative and doctrine development and (e) policy dissemination and communication with partners in peace operations (AP2006/600/01/10).

102. *The Department of Peacekeeping Operations accepted this recommendation, commenting that it will review its current monitoring capacity with a view to strengthening change management to perform these functions.*

Recommendation 11

103. The Department of Peacekeeping Operations should ensure that its "Peace operations 2010" initiative promulgates an action plan to establish formalized and clearly defined terms of reference for interaction, cooperation, coordination and information-sharing with its partners in peace operations (AP2006/600/01/11).

104. *The Department of Peacekeeping Operations accepted this recommendation, commenting that the work has already been completed in establishing the integrated mission planning process. The draft terms of reference for integrated mission task forces is a good foundation for interaction, cooperation and information-sharing with partners. The Department will, however, develop an action plan under "Peace operations 2010" to formalize these arrangements.*

Recommendation 12

105. The Department of Peacekeeping Operations should finalize the terms of reference for the integrated mission task forces, the key mechanism for ensuring a coherent, consistent and coordinated engagement of the United Nations system partners in the integrated mission planning process (AP2006/600/01/12).

106. *The Department of Peacekeeping Operations accepted this recommendation, commenting that the Department will move to finalize the terms of reference for integrated mission task forces shortly.*

Recommendation 13

107. The Department of Peacekeeping Operations, if it decides to adopt the integrated matrix organization model to improve its management structure, should ensure that due care is given to institutionalizing empowerment and accountability by establishing (a) clear delegations of authority and responsibilities, (b) proper reporting lines, (c) adequate performance evaluation mechanisms and (d) properly designed working methodologies, to effectively and efficiently implement the reorganization of the Department (AP2006/600/01/13).

108. *The Department of Peacekeeping Operations accepted this recommendation, commenting that it will ensure that the integrated structure aligns resources, responsibility and accountability in a manner that allows effective performance evaluation and oversight. The integrated structures will also work with Departmentally approved methodologies that allow for effective interfaces with other elements within the Department. It is intended to review the new structures after two years.*

Recommendation 14

109. The Department of Peacekeeping Operations should implement an internal communications strategy to ensure that staff at all levels within the Department are involved in the proposed restructuring process under the "Peace operations 2010" programme (AP2006/600/01/14).

110. *The Department of Peacekeeping Operations accepted this recommendation, commenting that there has already been substantial involvement of Department staff in assessing the requirement for and discussion of the options for restructuring the Department. Staff briefings, town hall meetings and meetings with staff union representatives have been held. More focused meetings will be held with staff once the new structure of the Department is determined. The Department will also make use of its Intranet site to ensure that staff are fully informed (the site has received more than 24 million hits since May 2006).*

Recommendation 15

111. The Department of Peacekeeping Operations should assign the leadership and coordination function responsibility for the implementation of the reform effort "Peace operations 2010" to the Change Management Office or to another entity within the Office of the Under-Secretary-General for Peacekeeping Operations reporting directly to the Under-Secretary-General, and should ensure that adequate resources are provided and appropriate authority and clear performance indicators are established to effectively accomplish this task (AP2006/600/01/15).

112. *The Department of Peacekeeping Operations accepted this recommendation, commenting that responsibility for the leadership and coordination of the implementation will rest with the Office of the Under-Secretary-General for Peacekeeping Operations. The Change Management Office will play a key role in this and will likely need supplementation to accomplish the task.*

(*Signed*) Inga-Britt **Ahlenius**
Under-Secretary-General for Internal Oversight Services

Annex

Organization chart of the Department of Peacekeeping Operations as at 1 July 2006